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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:
LEHMAN BROTHERS HOLDINGS INC., et al.
Debtors.

Chapter 11

Case No. 08-13555 (JMP)

(Jointly Administered)

STIPULATION, AGREEMENT AND ORDER REGARDING CERTAIN CLAIMS

Lehman Brothers Holdings Inc. (“LBHI”), as Plan Administrator (the “Plan Administrator”) pursuant to the *Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors* (the “Plan”), Citibank, N.A. (“Citibank”) and Citigroup Global Markets Inc. (“CGMI,” and together with Citibank and the Plan Administrator, the “Parties”), hereby stipulate and agree as follows:

RECITALS

A. On September 15, 2008 and periodically thereafter, LBHI and certain of its subsidiaries commenced voluntary cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) before the United States Bankruptcy Court for the Southern District of New York (the “Court”), which cases are being jointly administered under Case No. 08-13555 (JMP).

B. On July 2, 2009, the Court entered an order setting forth the procedures and deadlines for filing proofs of claim in these chapter 11 cases [Docket No. 4271] (the “Bar Date Order”). Pursuant to the Bar Date Order, the Court established (i) September 22, 2009 as the deadline to file proofs of claim in these chapter 11 cases (the “Bar Date”), and (ii) November 2, 2009 as the deadline to file proofs of claim based on any Lehman Program Security (as such term was defined in the Bar Date Order) (the “Program Security Bar Date”).

C. On September 22, 2009, before the Bar Date, CGMI filed proof of claim number 29879 against LBHI (the “Original CGMI Claim”). On November 18, 2011, CGMI filed proof of claim number 67735 (the “CGMI Claim”), which amended and superseded the Original CGMI Claim.

D. On October 30, 2009, before the Program Security Bar Date, Citibank filed proof of claim number 58912 against LBHI (the “Citibank Claim”).

E. On December 6, 2011, the Court entered an order confirming the Plan [Docket No. 23023] (the “Confirmation Order”). The Effective Date (as defined in the Plan) occurred on March 6, 2012 [Docket No. 26039].

F. Pursuant to section 6.1(b) of the Plan, the Plan Administrator is authorized to control and effectuate the claims reconciliation process with respect to claims filed against LBHI.

G. Pursuant to paragraph 86 of the Confirmation Order, after the Effective Date, a proof of claim may not be filed or amended without authority of the Court.

H. On May 14, 2012, the Plan Administrator filed an objection to the Citibank Claim [Docket No. 27862] (the “Citibank Claim Objection”) that seeks to disallow and expunge the Citibank Claim, which relates to certain securities originally included on the List of Lehman Program Securities.

I. Citibank has agreed to withdraw the Citibank Claim. The Plan Administrator consents to Citibank’s withdrawal of the Citibank Claim

J. On May 14, 2012, the Plan Administrator filed a separate partial objection to a portion of the CGMI Claim [Docket No. 27863] (the “Partial CGMI Claim Objection”) that seeks to disallow and expunge Section D of the CGMI Claim, which relates to LBHI’s alleged guarantee of debts allegedly owed by Structured Asset Securities Corporation II in connection with certain mortgage-backed certificates.

K. CGMI has agreed to amend the CGMI Claim (such amended claim, the “Amended CGMI Claim”) and to (i) remove Section D of the CGMI Claim that was subject to the Partial CGMI Claim Objection, and (ii) remove section C(iii) of the CGMI Claim that was not subject to the Partial CGMI Claim Objection.

L. The Plan Administrator consents to CGMI’s filing of the Amended CGMI Claim since such filing will significantly reduce the amount of claims asserted

against LBHI, including CGMI's voluntary withdrawal of claims to which the Plan Administrator has not objected.

M. The Parties enter into this stipulation to permit CGMI to file the Amended CGMI Claim and to resolve the Citibank Claim Objection and Partial CGMI Claim Objection.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED BY AND BETWEEN THE PARTIES, AND, UPON COURT APPROVAL HEREOF, IT SHALL BE ORDERED THAT:

1. This Stipulation and Order shall become effective once it has been executed by the Parties and approved by the Court (the "Effective Date").
2. On or after the Effective Date, CGMI shall be permitted to file the Amended CGMI Claim.
3. CMGI shall file the Amended CMGI Claim no later than fourteen (14) days after the Effective Date.
4. Upon CGMI's filing of the Amended CGMI Claim (i) the Partial CGMI Claim Objection shall be deemed withdrawn, and (ii) the CGMI Claim shall be deemed withdrawn and superseded and survived by the Amended CGMI Claim.
5. On the Effective Date, the Citibank Claim and the Citibank Claim Objection shall each be deemed withdrawn.
6. Nothing in this Stipulation and Order shall affect (i) the Plan Administrator's right to object to the Amended CGMI Claim on any ground other than the timing and method of filing, or (ii) CGMI's rights asserted in the Amended CGMI Claim including the right to oppose any further objections made by the Plan Administrator.

7. The Parties authorize LBHI's Court-approved Claims Agent, Epiq Bankruptcy Solutions, LLC, to modify the claims register to reflect the terms of this Stipulation and Order.

8. This Stipulation and Order contains the entire agreement between the Parties as to the subject matter hereof and supersedes all prior agreements and undertakings between the Parties relating thereto.

9. This Stipulation and Order shall be binding upon and inure solely to the benefit of the Parties hereto and their respective successors and assigns. Nothing contained herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Stipulation and Order.

10. Each person who executes this Stipulation and Order represents that he or she is duly authorized to do so on behalf of the respective Party or Parties hereto and that each such party has full knowledge and has consented to this Stipulation and Order.

11. This Stipulation and Order may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation and Order to present any copy, copies, electronic copies, or facsimiles signed by the Parties hereto to be charged.

12. This Stipulation and Order shall be governed by and in accordance with the laws of the state of New York, except to the extent that the Bankruptcy Code applies, without regard to principles of conflicts of law that would require the application of laws of another jurisdiction.

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Dated: New York, New York
June 26, 2012

PAUL, WEISS, RIFKIND, WHARTON &
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Dated: Denver, Colorado
June 26, 2012

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*Attorneys for Lehman Brothers Holdings, Inc. and
Certain of Its Affiliates*

SO ORDERED:

Dated: New York, New York
August 14, 2012

s/ James M. Peck
Honorable James M. Peck
United States Bankruptcy Judge